



June 30, 2005

Dear Citizens of Sandy:

We are pleased to present to you the budget for the 2006 fiscal year (FY). This budget represents months of hard work by the Budget Committee, numerous city staff members from each department, and the City Council. The document has been developed with the goal of providing excellent services to our residents over the course of the next year.

### **Setting A Course For the Future**

Over the past few months, the City Council and Administration have held several strategic planning and goal setting sessions to better clarify and identify future organizational needs and objectives. The noted sessions served as a follow up to similar exercises conducted in 2002 and 2004 and proved to be a great opportunity for dialogue and to review where we are as a municipal service provider.

Moreover, in each of the last 10 years, the city has commissioned pollster Dan Jones and Associates to conduct an annual citizen survey asking 500 residents how we are doing as a community in providing core services, including police, fire, roads, water, etc. A summary of this year's 114-question survey can be found throughout this budget document and serves as constructive feedback to each operating department as they formulate short and long term operating plans - allowing them to set a more defined course for the future.

The end result of both the strategic planning process, as well as the annual Dan Jones survey is a series of guiding principles and objectives. In February, the City Council and Administration met to review and reaffirm our strategic course in preparation for FY 2006. In reviewing our existing plan, it was determined that the city's number one priority was to continue the tradition of excellent core services, financial stability, and lean operations. As a result, the budget does not represent the hiring of large numbers of new staffers or the creation of new programs, but instead focuses on building upon what already exists and enhancing efforts that have already been established in years past. Nine specific goals and objectives were developed to serve as the starting point for the FY 2006 Budget. A complete, detailed review of these goals and objectives are found on page 10 of this document.

## A Healthy Fiscal Year

After several consecutive recessionary years, we are pleased to report that financial indicators point to strong economic growth in the next 12 months. The proposed budget will bring an additional \$2.3 million in ongoing revenue to the general fund. Aided by strong retail sales, growing telecommunication charges, modest fee increases, and consistent property taxes, the city intends to dedicate new revenue to a variety of on-going projects and capital programs identified as part of the strategic planning process discussed above. We believe these projects and programs serve to further enhance the quality of life in our community - the core mission of city elected officials and employees.

The following is a review of significant issues found in this budget document:

- *Public Safety Building.* On July 1, the city will begin renovation of the Third District Court Building purchased by the city from the State of Utah in 2004. The 33,000 square-foot building will house a variety of public safety functions, including two courtrooms, police traffic and youth units and the city's crime prevention and victim advocacy programs. This year's budget includes funding for on-going building operations, specifically utility, maintenance and court security expenses. We believe the addition of the new building is necessary to meet the growing needs of both the Justice Court and the Police Department.
- *Additional City Prosecution Resources.* Faced with an increase in Justice Court filings, the budget includes funding for an additional full-time Assistant City Attorney with primary responsibility for prosecution services. Also included are two Court Bailiffs. However, by using vacant positions, the overall staffing plan increases only by 1.4 full-time equivalents (FTE) all of which are temporary or seasonal positions. This minimal increase is consistent with the goal of limiting the addition of new employees in favor of taking care of current employees.
- *Employee Compensation and Classification.* With an increasing competitive market for municipal employees, especially among the ranks of both the Police and Fire Departments, the city undertook an aggressive review of its compensation and classification system. Results of the review suggested that significant revisions to the city's pay-for-performance program were needed. Included in the budget is a two percent market adjustment for all city employees. Moreover, the city has overhauled its merit system and has instituted up to five percent merit steps for all employees.

In addition, the city continues to struggle to maintain quality health insurance for its employees at a reasonable cost. Despite double-digit policy renewal pricing, the city has maintained quality coverage at prices lower than many of its municipal counterparts. We continue to be committed to finding and reviewing quality, cost efficient health benefits, including consumer directed arrangements and a variety of pharmacy options.

- *Protecting and Securing Additional Water Resources.* In staying consistent with the city's overall water master plan, funds have been set aside this year to meet our commitment to the Metropolitan Water District of Salt Lake and Sandy (MWDSL) and its Point of the Mountain Water Treatment Plant. The plant, with an expected completion date of 2007 will provide needed redundancy and transmission capacity to our municipal water system. The plant, coupled with Ontario Drain Tunnel water rights purchased by the city in March 2005 will ensure that residents have adequate, clean, quality drinking water in the decades to come.
- *Technology Enhancements and Charges.* Over the past several years, the city has capitalized on new technologies that have enhanced service delivery. Wireless computer technology, as well as geographic information systems (GIS) are at the core of these new technologies. With broad application across all service departments, the use of these new resources has increased operational efficiencies and improved customer response times. Additional funding for these enhancements is included in this year's budget for maintaining existing equipment, as well as expanding current capabilities.
- *Fund Balance.* As in years past, monies have been set aside in the general fund balance to soften unanticipated needs and provide additional financial security and strength to the city as a whole. The \$439,433 contribution maintains the cash reserve fund at 11.3 percent of general fund revenue.

## **Capital Preservation and Growth**

In addition to on-going revenue, we also expect one time revenue of \$3.7 million. Recommended spending allocations include the following:

- *Municipal Building Preservation, Renovation, and/or and Replacement.* As the city's buildings and facilities grow older, the city has set aside funds to deal with the matter. Of particular concern are the city's fire stations and the now 13- year old city hall. Programmed projects include future city hall roof and HVAC replacement, as well as an architectural review and potential replacement of Fire Station 32.
- *Street Reconstruction, Concrete Repair, and Trail Development.* The city remains committed to providing an excellent, safe, and well maintained road and trail system. Projects to be completed this year include numerous neighborhood street overlays, matching funds for federal grants associated with 1300 East improvements, and completion of a trail system along Wasatch Boulevard.
- *Park Revitalization and Expansion.* Based on the completed 2005 Parks and Recreation Master Plan Update, the city has set aside monies to construct two new parks, namely a 4-acre community park adjacent to Union Middle School and an 8-acre, full service park at the Quarry Bend (formerly known as the gravel pit).

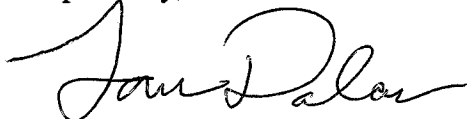
Moreover, the restrooms at Bluth Park will be reconstructed and park space directly south of City Hall will receive power upgrades to further enhance the site as a gathering spot for regional outdoor attractions and events.

- *Neighborhood Preservation.* Consistent with our goal of maintaining neighborhoods as attractive and inviting places to live, we have set aside resources this fiscal year to continue our neighborhood preservation efforts. A contract Code Compliance Officer and monies to grant to residents for neighborhood housing and infrastructure improvements remain part of our revitalization plan. Also, funds to update the city's Historic Sandy Master Plan is also prominent in our city's 2006 budget priorities.
- *Power Line Burial.* In FY 2006, the city has a unique opportunity to partner with the MWDSLS. As the special district lays new water transmission lines through Dimple Dell Regional Park, the city has budgeted resources to bury power transmission lines through the sensitive park corridor. The payment represents part of a three-year agreement scheduled to be paid in full by FY 2008.

### Looking to the Future

As we enter a new fiscal year, we are optimistic for what the future holds for Sandy City. The city is financially stable as a result of strong economic growth, conservative budgeting practices and grant opportunities from both the state and federal governments. Our residents continue to be pleased with the service levels we provide, as well as the community's overall quality of life. We look forward to another successful fiscal year.

Respectfully,



Thomas M. Dolan  
Mayor



Scott L. Cowdell  
City Council Chair



Byron D. Jorgenson  
Chief Administrative Officer